

DISCLAIMER

This electronic version of an SCC order is for informational purposes only and is not an official document of the Commission. An official copy may be obtained from the [Clerk of the Commission, Document Control Center](#).

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 15, 1999

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

Ex Parte: in re: In the matter CASE NO. INS990180
of adopting an amended regulation
applicable to settlement agents

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein August 31, 1999, all interested persons were ordered to take notice that the Commission would enter an order subsequent to October 8, 1999, adopting a revised regulation proposed by the Bureau of Insurance ("Bureau") unless on or before October 8, 1999, any person objecting to the adoption of the revised regulation filed a request for a hearing with the Clerk of the Commission; and

WHEREAS, Royce Lee Givens, Esquire ("Givens"), submitted comments on the aforesaid proposed revised regulation on September 10, 1999;

WHEREAS, the Bureau, by counsel, submitted a response to the comments submitted by Givens on September 27, 1999;

WHEREAS, the Commission has considered the comments of Givens and the Bureau;

WHEREAS, as of the date of this order, no request for a hearing has been filed with the Clerk of the Commission;

THEREFORE, IT IS ORDERED THAT:

(1) The regulation entitled "Rules Governing Settlement Agents," as revised therein, and which is attached hereto and made a part hereof should be, and it is hereby, ADOPTED to be effective as of the date hereof;

(2) An attested copy hereof, together with a copy of the revised regulation, be sent by the Clerk of the Commission to the Virginia State Bar, the Virginia Real Estate Board, and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister who shall forthwith give further notice of the revised regulation by mailing a copy of this order, together with a complete copy of the revised regulation to all title insurance companies, title insurance agents, and title insurance agencies licensed in the Commonwealth of Virginia; and

(3) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (2) above.

STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

CHAPTER 395

RULES GOVERNING SETTLEMENT AGENTS.

14 VAC 5-395-20. Definitions.

As used in this chapter:

"Act" means the Consumer Real Estate Settlement Protection Act (§ 6.1-2.19 et seq. of the Code of Virginia). Unless otherwise defined herein, all terms used in this chapter shall have the meaning as set forth in the Act.

"Agent" or "insurance agent" when used without qualification, means an individual, partnership, limited liability company, or corporation that solicits, negotiates, procures or effects contracts of insurance or annuity in this Commonwealth.

"Bureau" means the State Corporation Commission Bureau of Insurance.

"Lay real estate settlement agent" means a person who (i) is not licensed as an attorney under Chapter 39 (§ 54.1-3900 et seq.) of Title 54.1, (ii) is not a party to the real estate transaction, (iii) provides escrow, closing or settlement services in connection with a transaction related to any real estate in this Commonwealth, and (iv) is listed as the settlement agent on the settlement statement for such transaction.

"Title insurance agent" means an agent licensed in this Commonwealth to solicit, negotiate, procure, or effect title insurance on behalf of title insurance companies licensed under Chapter 46 (§ 38.2-4600 et seq.) of Title 38.2 of the Code of Virginia.

"Title insurance agency" means a partnership, limited liability company, or corporation licensed in this Commonwealth as a title insurance agent.

"Title insurance company" means any company licensed to transact, or transacting, title insurance in this Commonwealth.

14 VAC 5-395-25. Lay Real Estate Settlement Agents.

Notwithstanding any provision of this chapter to the contrary, and pursuant to the Real Estate Settlement Agent Registration Act (§ 6.1-2.30 et seq.) of Title 6.1 of the Code of Virginia, a lay real estate settlement agent shall be required to comply with the provisions of this chapter, except as specifically set forth in 14 VAC 5-395-60.

14 VAC 5-395-60. Separate fiduciary trust account.

Every title insurance agent, title insurance agency and title insurance company that acts as a settlement agent in the Commonwealth of Virginia shall maintain a separate fiduciary trust account for the purpose of handling funds received in connection with escrow, closing, or settlement services involving

real estate located only in this Commonwealth. No other funds may be included in this escrow account. Such trust account shall be with a financial institution authorized to do business in the Commonwealth of Virginia. If the agent, agency, or company acting as a lay real estate settlement agent provides escrow, closing, or settlement services in transactions involving multiple parcels or tracts of real estate and any one of those tracts or parcels is located wholly or partially outside of this Commonwealth, that agent, agency, or company shall maintain another separate fiduciary trust account for the purpose of handling funds received in connection with such transactions.